

MCB USD SHORT DURATION FUND LTD

the "FUND"

ANNUAL REPORT

FOR THE YEAR ENDED JUNE 30, 2026

MCB USD SHORT DURATION FUND LTD
ANNUAL REPORT
FOR THE YEAR ENDED JUNE 30, 2026

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NOTICE

Unless otherwise mentioned herein, all references of Acts and Regulations in this Annual Report relates to legislations issued in the Republic of Mauritius.

MCB USD SHORT DURATION FUND LTD

MANAGEMENT & ADMINISTRATION

		Date of appointment	Date of resignation
BOARD MEMBERS	Mr Jean Hok Yui How Hong	December 15, 2022	-
	Mr Krishen Patten	April 17, 2024	September 15, 2026
	Ms Medina Sarah Torabally	June 11, 2024	-
	Mrs Vandana Sandya Nathoo	February 06, 2025	-
PLACE OF BUSINESS OF THE FUND	C/o MCB Investment Management Co. Ltd 9-15, Sir William Newton Street Port Louis, MAURITIUS		
REGISTERED OFFICE	9-15, Sir William Newton Street Port Louis, MAURITIUS		
FUND MANAGER	MCB Investment Management Co. Ltd 9-15, Sir William Newton Street Port Louis, MAURITIUS		
CORPORATE SECRETARY	MCB Group Corporate Services Ltd 9-15, Sir William Newton Street Port Louis, MAURITIUS		
REGISTRAR	MCB Registry & Securities Ltd 9-15, Sir William Newton Street Port Louis, MAURITIUS		
BANKER	The Mauritius Commercial Bank Ltd 9-15, Sir William Newton Street Port Louis, MAURITIUS		
CUSTODIAN FOR INVESTMENTS	The Mauritius Commercial Bank Ltd - Custody Business Unit 9-15, Sir William Newton Street Port Louis, MAURITIUS		
AUDITOR	BDO & Co 10, Frère Felix de Valois Street Port Louis, MAURITIUS		
ISIN	MU0739S00005		

MCB USD SHORT DURATION FUND LTD

REPORT OF THE DIRECTORS FOR THE YEAR ENDED JUNE 30, 2026

The directors are pleased to present the Annual Report of MCB USD Short Duration Fund Ltd for the year ended June 30, 2026.

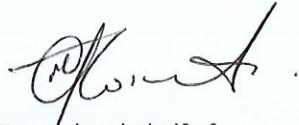
This report was approved by the Board of Directors on September 23, 2026.


.....
Chairperson
.....
Director

MCB USD SHORT DURATION FUND LTD

SECRETARY'S CERTIFICATE FOR THE YEAR ENDED JUNE 30, 2026

Pursuant to section 166(d) of the Mauritius Companies Act 2001, we certify that, to the best of our knowledge and belief, the Fund has filed with the Registrar of Companies all such returns as are required under the Mauritius Companies Act 2001.



For and on behalf of

MCB Group Corporate Services Ltd
Company Secretary

Date: September 23, 2026

MCB USD SHORT DURATION FUND LTD

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2026

1. GOVERNANCE STRUCTURE

1.1 Overview

MCB USD Short Duration Fund Ltd (“the Fund”) was incorporated in Mauritius under the Mauritius Companies Act 2001 on December 15, 2022 and has been authorised in June 2023 by the Financial Services Commission (the “FSC”) to operate as Collective Investment Scheme under Section 97 of the Securities Act 2005 and as an Expert Fund under Regulation 79 of the Securities (Collective Investment Schemes and Closed-end Funds) Regulations 2008. The investment objective of the Fund is to achieve a risk-return profile consistent with conservative investment strategies by investing primarily in USD-denominated fixed income securities. It is committed to the highest standard of business integrity, transparency and professionalism to ensure that its activities are managed ethically and responsibly to enhance value for all stakeholders.

The Fund is managed by MCB Investment Management Co. Ltd (the “Manager”), a company duly licensed by the FSC to promote, manage and administer collective investment schemes and closed-end funds.

The Fund has no employees, and its day-to-day operations are handled by its functionaries which include the Manager, a registrar and a custodian.

1.2 Statement of Compliance

The Board of Directors has given and will continue to give due consideration to the principles of good corporate governance which are applicable to the Fund under the National Code of Corporate Governance for Mauritius (2016) (the “Code”). It is worth noting that the Manager and the ultimate holding company of the Manager, MCB Group Limited (“MCBG”), are required to comply with the principles of the Code.

Throughout the year ended June 30, 2026, to the best of the Board’s knowledge, the organisation has complied with the Code in all material aspects except for certain sections as mentioned and explained in the table below.

Principle	Section relating to	Reasons for non-compliance
2	Organisations should have at least an Audit Committee and a Corporate Governance Committee	Given that the Fund is a Collective Investment Scheme, this Principle is being complied with at the level of the Manager’s holding and ultimate holding companies.
2	Board Structure with a designated Chairperson, an appropriate combination of executive, non-executive and independent directors and having both genders.	Given that the Fund is a Collective Investment Scheme with no employees, executive directors cannot be appointed. The Board of the Manager is compliant with this Principle except for the recommended number of 2 independent directors. The Manager is in the process of appointing an additional independent director.
4	Disclosure of remuneration paid to each individual director.	The Board of the Manager complies with this Principle, except that the remuneration and fees of its executive director have not been disclosed due to the sensitive nature of the information.

MCB USD SHORT DURATION FUND LTD

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2026

1. GOVERNANCE STRUCTURE (CONT'D)

1.2 Statement of Compliance (cont'd)

The Board of Directors will regularly reassess the requirements of the Code to ensure that the Fund remains compliant thereto.

1.3 Constitutive documents or Charter documents

1.3.1 Board Charter

The Board Charter has been duly approved by the Board and is reviewed by the latter on a regular basis. The Charter provides for delegation of authority and clear lines of responsibility with a reporting mechanism whereby matters affecting the affairs and reputation of the Fund are duly escalated to the Board of the Fund.

1.3.2 Constitution and Prospectus

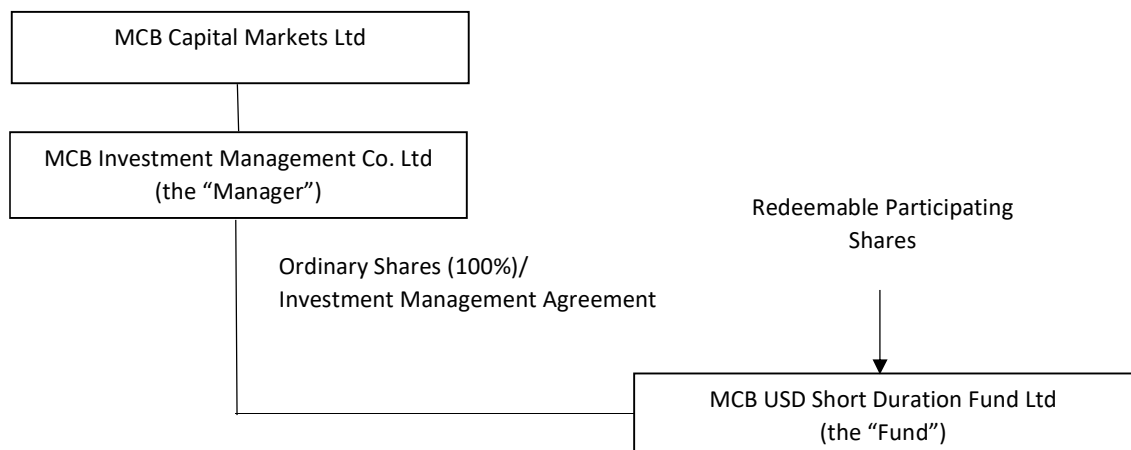
The constitution and prospectus of the Fund (the "Constitutive Documents") have been duly approved by the Board and are reviewed by the latter on a regular basis. The Constitutive Documents provide for delegation of authority and clear lines of responsibility with a reporting mechanism whereby matters affecting the affairs and reputation of the Fund are duly escalated to the Board of the Fund.

The Constitutive Documents provide amongst others the following main objectives:

- (i) Defining the Fund's purpose, strategy and value;
- (ii) Determining policies and best practices to ensure that the business is conducted with the highest standards of ethical conduct within the Fund;
- (iii) Reviewing and, where appropriate, approving risk policy of the Fund; and
- (iv) Reviewing and approving the financial statements of the Fund.

1.3.3 Organisation Structure

The Fund has issued one ordinary share to the Manager, a wholly owned subsidiary of MCB Capital Markets Ltd ("MCBCM"), which is itself wholly-owned by MCBG.



MCB USD SHORT DURATION FUND LTD

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2026

1. GOVERNANCE STRUCTURE (CONT'D)

1.3 Constitutive documents or Charter documents (Cont'd)

1.3.4 Statement of Main Accountabilities

The Board is responsible and accountable for the long-term success of the Fund and has approved and set the main accountabilities of the Board collectively as follows:

	Main Accountabilities
Chairperson	• Provides overall leadership to the Board • Ensures that the Board is effective in its tasks of setting and implementing the Fund's direction and strategy. • Ensures that the development needs of the directors are identified and appropriate training is provided to continuously update their skills and knowledge. • Maintains sound relations with the shareholder and other stakeholders.
Board	• Ensures compliance by the Fund with applicable legislation, regulation and policies. • Safeguards the assets of the Fund. • Ensures Board decisions are being implemented and the long-term interests of the shareholders are being served.
Secretary	• Providing guidance to the Board relating to their duties, responsibilities and powers. • Informing the Board of all legislation pertaining to meetings of the shareholders and the Board. • Ensuring that the minutes of all meetings of shareholders and Board are properly recorded, and that all statutory registers are properly maintained. • Certifying in the annual financial statements, that the Fund has filed with the Registrar of Companies all such returns as are required under the Mauritius Companies Act 2001 (the "Act") as may be amended from time to time.

1.3.5 Material Clauses of the Constitution

As per the constitution of the Fund, no shareholder shall have any pre-emptive rights whatsoever to subscribe for any additional shares issued by the Fund. The Board is expressly permitted to issue further Redeemable Participating Shares at any time ranking as to voting or distribution rights or both equally with Redeemable Participating Shares already issued by the Fund without such issue qualifying as a variation of class rights of the existing Redeemable Participating Shares.

MCB USD SHORT DURATION FUND LTD

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2026

2. THE BOARD STRUCTURE

2.1 Board roles and responsibilities

The Board's primary function is to direct and supervise the business and affairs of the Fund. The Board currently consists of three directors. The members of the Board are appointed by the holder of the Ordinary Share.

The Fund is currently managed by a unitary Board of three members, residents of Mauritius, and all three (3) are Independent Non-Executive Directors.

The Board meets at least four times a year to review the investments, operations and administrative affairs of the Fund. There are no service contracts between the Fund and any of its directors in their personal capacity, nor are any such contracts proposed. A director may vote at, or be counted in the quorum of any meeting of the Board to consider any contract in which the director is interested, provided that such director declares their interest prior to the taking the vote at the meeting and causes such interest to be recorded in the register of interests.

All the members of the Board possess the necessary knowledge, skills, objectivity, intellectual honesty, integrity, experience and commitment to make sound judgements on various key issues relevant to the business of the Fund, independent of the Manager and to protect the interests of shareholders, clients and other stakeholders.

All directors receive timely information so that they are equipped to play as full a part as possible in Board meetings. All Board members have access to the Company Secretary for any further information they require.

The Fund has entered into an investment management agreement of unlimited duration with the Manager which gives the Manager full power to administer, supervise and direct the acquisition and/or disposal (by whatever means) of the Fund's investments subject to and in compliance with the investment objectives and in light of any reasonable instructions that may be given by the Board.

2.2 Composition of the Board

The Board examines the size, composition and the essential competencies of its members regularly to ensure that there is an appropriate balance of skill, experience, knowledge and gender representation on the Board to carry out its duties and responsibilities effectively.

The composition of the Board which currently comprises three members is detailed below:

Name	Title	Category	Gender	Country of Residence
Mr. Jean Hok Yui HOW HONG	Director	Independent	Male	Mauritius
Mrs. Vandana Sandya NATHOO	Director	Independent	Female	Mauritius
Ms. Medina Sarah TORABALLY	Director	Independent	Female	Mauritius

Mr. Krishen Patten served as a director during the financial year and resigned on September 15, 2026.

MCB USD SHORT DURATION FUND LTD

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2026

2. THE BOARD STRUCTURE (CONT'D)

2.2 Composition of the Board (Cont'd)

The Board is of the opinion that its size, composition and the core competencies and knowledge of its members allow the Fund to meet its business requirement adequately.

Given that the Fund has no employees, it is not possible to have executive directors. Day-to-day operations are handled by its functionaries which include the Manager, a registrar and a custodian.

2.3 Profile of Directors

A brief profile of each director along with their directorships is set out below:

Jean Hok Yui How Hong, Independent Director

Mr. How Hong holds a Diploma in Sugar Technology (School of Agriculture, University of Mauritius). He has 40 years' management experience in the agro-industry, wholesale and distribution sector at Innodis Ltd. He was the Chief Operating Officer for 3 years and then Chief Executive Officer for 8 years prior to retiring in December 2016. Mr. How Hong has assumed functions of Executive Director of Mauritius Farms Ltd, and General Manager (Commercial Division) of Happy World Ltd.

Directorship in listed companies/funds: Innodis Ltd and African Domestic Bond Fund (Stock Exchange of Mauritius).

Vandana Nathoo, Independent Director

Mrs. Vandana Ramdennee-Nathoo studied Computer Science and Business at the University of Warwick under a merit scholarship. With experience in retail banking, entrepreneurship, and strategic sales leadership, she has held senior positions at HSBC and Banque Des Mascareignes (a member of the Caisse d'Épargne Group, France), where she was responsible for leading the flagship branch and driving operational excellence across key business divisions respectively. Building on this foundation, Vandana subsequently established a specialist training firm, becoming a trusted partner to major financial institutions in Mauritius. Vandana currently serves as an Independent Non-Executive Director on the board of a major listed Mauritian conglomerate, a top 50 company and on three of MCB Capital Market's collective investment vehicles as well as on the ethics committee of a not-for-profit.

Directorship in listed Companies: Almarys Limited and African Domestic Bond Fund (Stock Exchange of Mauritius).

MCB USD SHORT DURATION FUND LTD

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2026

2. THE BOARD STRUCTURE (CONT'D)

2.3 Profile of Directors (Cont'd)

Medina Torabally, Independent Director

Ms Medina Torabally holds a Bachelor of Laws (LLB) from the University of Reading and a Bar Professional Training Course (BPTC) certificate from City University, London. Medina is a barrister-at-law practising at the Bar of Mauritius and a non-practising barrister of England & Wales. She trained as a litigation associate at Benoit Chambers before joining the Permanent Court of Arbitration (PCA) as an assistant legal counsel. Medina subsequently joined CMS Prism, in association with CMS, where she is currently a managing associate leading tax controversy matters. Her practice focuses primarily on tax controversy, advising clients from the stage of audits, investigations, and assessments by the Mauritius Revenue Authority. She regularly appears before the Revenue Tribunal, the Supreme Court of Mauritius, and the Judicial Committee of the Privy Council. She also has experience in commercial disputes and arbitration.

Directorship in listed companies/funds: African Domestic Bond Fund (Stock Exchange of Mauritius).

2.4 Company Secretary

MCB Group Corporate Services Ltd acts as Company Secretary to the Fund. The Company Secretary has four qualified Chartered Secretaries with more than twenty years of experience each. All Board members have access to officers of the Secretary for information relating to board matters.

2.5 Board Attendance

Board meetings are held on a regular basis but may be convened at any time in case urgent matters need to be discussed. Four board meetings were held during the year.

No of Meetings held during the year	4
Mr. Jean Hok Yui HOW HONG	4
Mrs. Vandana Sandya NATHOO	3
Mr. Krishen PATTEN (Resigned on September 15, 2026)	4
Ms. Medina Sarah TORABALLY	4

2.6 Board Committees

Given that the Fund is a Collective Investment Scheme, all board committees have been set up at the level of the Manager's Group.

MCB USD SHORT DURATION FUND LTD

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2026

3. DIRECTORS APPOINTMENT PROCEDURES

a. Directors Selection

The nomination and appointment processes are carried out in collaboration with the Corporate Governance and Sustainability Committee (CGSC) of MCB Group Limited, the ultimate holding company of the Manager. Once the Board has reviewed and is satisfied with the profile of the candidates, the Board shall request the approval of the regulatory authorities.

b. Election and Re-election of Directors

All directors are re-elected each year at the Annual Meeting of Shareholders.

c. Induction of new Directors

All new directors are given an induction pack, which comprises the offering and constitutive documents and the minutes of the last meeting of the Board. An introductory meeting is organised to explain the business activities of the Fund and its governing policies. The Chairperson and the other directors as well as the Company Secretary are readily available to answer any queries that newly appointed directors may have with respect to the Fund.

The above-mentioned induction programme meets the specific needs of both the Fund and the newly appointed directors and enables the latter to participate actively in board discussions.

d. Professional Development

Directors are encouraged to keep themselves up to date with the professional practices and industry related developments. The Board regularly reviews and comes to an agreement with each director, if necessary, on his or her training and development needs. Upon request from directors, the Fund provides the necessary resources for developing and updating its directors' knowledge and capabilities.

During the year, Directors completed online information security awareness training aimed at enhancing their understanding of cyber risks, data protection and security best practices. The training reinforced the importance of safeguarding information assets and supporting a strong culture of security and risk awareness across the Group.

e. Succession Planning

The Fund does not have any direct employees. MCBG is one of the largest group of companies in Mauritius with a large pool of talent with different skills, academic and professional qualifications, and expertise in various fields of business. The MCB Group strategy includes the recognition and fostering of talent within executive and management levels across the Group thus ensuring that opportunities are created to develop current and future leaders.

MCB USD SHORT DURATION FUND LTD

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2026

3. DIRECTORS APPOINTMENT PROCEDURES (CONT'D)

f. Time Commitment

Each director is expected to devote sufficient time and attention to the affairs of the Fund. The Fund expects a time commitment of around 10 days per annum. This will include attendance at Board meetings, Board committees (if applicable), the Annual Meeting of Shareholders and meetings as part of the Board evaluation process and training and development programmes. There is always the possibility of additional time commitment in respect of ad hoc matters that may arise from time to time and particularly when the Fund is undergoing a period of increased activity.

4. BOARD PERFORMANCE AND EVALUATION

a. Legal duties of Directors

The directors are aware of their legal duties under the Act and other relevant legislation. They exercise the required level of care, skill and diligence, which a reasonably prudent and competent director in such a position would exercise.

b. Remuneration Philosophy

The CGSC is responsible for the setting up and developing the Group's policy concerning the remuneration of directors. MCBG lays significant emphasis on appointing the right people with relevant skills and appropriate behaviours, and rewarding them in line with market practice.

The Fund's remuneration philosophy for directors is a fixed annual director fees and a board attendance fee.

c. Directors' Remuneration

Directors who are already in an executive position within the MCB Group do not receive additional remuneration as Board member, in line with MCBG policy. Mr Jean Hok Yui How Hong, Ms Medina Sarah Torabally and Mrs Vandana Sandya Nathoo are entitled to a fixed annual director fees and a fee for board attendance each. The Board reviews the remuneration of independent and those non-executive directors who are eligible to receive director's remuneration, in collaboration with the CGSC of MCB Group Ltd, the ultimate holding company.

Amount paid to directors during the year ended June 30, 2026, is as follows :

Non-Executive Directors	2026 USD	2025 USD
Mr Jean Hok Yui HOW HONG	1,898	1,801
Mrs Vandana Sandya NATHOO	1,729	765
Mr Krishen PATTEN (Resigned on September 15, 2026)	-	-
Ms Medina Sarah TORABALLY	1,898	1,892

MCB USD SHORT DURATION FUND LTD

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2026

4. BOARD PERFORMANCE AND EVALUATION (CONT'D)

d. Directors' interests in shares

The directors do not hold shares in the Fund directly or through any associate (as defined under the Listing Rules of the Stock Exchange of Mauritius).

e. Directors' service contracts

There are no fixed term contracts or service contracts between the Fund and the directors.

f. Related Party Transactions

Related party transactions have been conducted in accordance with the Conflicts of Interest and Related Party Transaction Policy and the Code of Ethics and Business Conduct. For related party transactions, please refer to note 18 of the Financial Statements.

g. Policies of the Fund and Code of Ethics and Business Conduct

The following policies of the ultimate holding company, MCBG, have been adopted by the Manager:

- Information, Information Technology and Information Security Governance Policy
- Conflicts of interest and Related Party Transaction Policy
- Whistleblowing Policy
- Code of Ethics and Business Conduct

Compliance with the Code of Ethics and Business Conduct is regularly monitored and evaluated by the Board of the Manager. The above policies can be viewed on the website of MCBG.

h. Whistleblowing

The Whistleblowing Policy of MCBG provides all employees within the Group and other stakeholders, including those of the Manager, a reporting channel on suspected misconduct or malpractice without the risk of subsequent victimization or discrimination. The policy outlines the complaint handling and reporting processes to improve transparency.

i. Information Governance

The Fund has outsourced substantially all its operations to reputable service providers, mainly within the MCB Group, to whom the policies (as per 4.7 above) of MCBG applies. The Board oversees information governance of its service providers.

j. Register of Interest

A register of interests is maintained by the Company Secretary and is available for consultation by the shareholder upon request.

MCB USD SHORT DURATION FUND LTD

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2026

4. BOARD PERFORMANCE AND EVALUATION (CONT'D)

k. Board and Directors' Performance

The Board acknowledges the importance of regularly reviewing its performance and effectiveness, as well as that of its directors. Given that the Board is relatively newly constituted, it will reassess the need to undertake an evaluation of its performance in due course.

A board evaluation of the board of directors of the Manager was carried out in July 2024 for the financial year 2023/2024 and the review established that the Directors consider the Board to be effective with an appropriate mix of expertise, skills and competence.

The Board of directors of the Manager has decided that the board evaluation exercise will be carried out every 3 years. As such, the next exercise will be held in 2027.

5. RISK GOVERNANCE AND INTERNAL CONTROL

The Board of Directors has delegated the responsibilities to ensure the effectiveness of the internal control systems to the Manager of the Fund, which has set adequate policies to provide reasonable assurance that risks are identified and managed appropriately. Any serious issue arising is taken at Board level.

The Manager's policy on risk management encompasses all significant business risks including physical, operational, human resources, technology, business continuity, financial, compliance and reputational which could influence the achievement of the Fund's objectives.

The system of internal control, which is embedded in all key operations of the Manager, provides reasonable rather than absolute assurance that the Fund's business objectives will be achieved.

The Manager is responsible for the design, implementation and monitoring of all risk, compliance and anti-money laundering policies and procedures of the Fund and has a direct reporting line to the Board of Directors.

The Board is satisfied regarding the implementation, operation and effectiveness of internal control and risk management.

The risk management mechanisms in place include:

- A system for the ongoing identification and assessment of risk;
- Development of strategies in respect of risk and definition of acceptable and non-acceptable levels of risk;
- Reviewing the effectiveness of the system of internal control; and
- Processes to reduce or mitigate identified risks and contain them within the levels of tolerance defined by the Board.

The key risks for the Fund are legal, regulatory, operational, reputational, performance and financial risks. The Board is ultimately responsible for these matters but delegates the ongoing tasks to the Manager.

MCB USD SHORT DURATION FUND LTD

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2026

5. RISK GOVERNANCE AND INTERNAL CONTROL (CONT'D)

Legal and regulatory risks are mainly the risks that the Fund does not comply with legal & regulatory requirements namely FSC and Registrar of Companies. These risks are managed by the Board, taking advice from the Fund's legal advisor where appropriate and setting out of proper processes and procedures in order to comply with all relevant legislations in force to safeguard the assets of the Fund. The Board is also covered under appropriate insurance cover taken by the Fund's immediate holding company. Regulatory reporting has been outsourced to experienced team of professionals within the MCB Group.

The **operational risks** profile of business activities and processes have been analysed and following evaluation, appropriate controls have been designed and implemented. In addition, risk arising from business processes is managed through the application of the necessary technical controls at every stage of those processes.

Reputational and performance risks are managed by the Board.

The identification and management of the financial risks are discussed in note 4 to the Financial Statements.

During the financial year under review all significant areas with respect to risk governance were covered by the internal control and no risk or deficiency has been noted in the organisation's system of internal controls.

6. REPORTING WITH INTEGRITY

6.1 Health and Safety Issues

The Manager is committed to the highest standards of integrity and ethical conduct in dealing with all its stakeholders.

The Fund however does not have any employees.

6.2 Corporate Social Responsibility

There was no contribution made with respect to Corporate Social Responsibility during the year.

6.3 Charitable Donation

No donation was made by the Fund during the year under review.

6.4 Political Donation

The Fund did not make any political donations during the year under review.

MCB USD SHORT DURATION FUND LTD

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2026

6. REPORTING WITH INTEGRITY (CONT'D)

6.5 Documents available on the Website

The Prospectus, Constitution, Board Charter, latest Audited Financial Statements and the Manager's corporate governance undertakings are published on the website of MCB Capital Markets. These documents have been approved by the Board and are monitored and updated in a timely manner further to any changes in laws requirements from regulatory bodies or decision taken by the Board.

7. AUDIT

7.1 Internal Audit

Given that the Fund is a Collective Investment Scheme, internal audit assignments are done at the level of the Manager.

The internal audit function of the Manager is outsourced to the Internal Audit Strategic Business Unit (IA SBU) of The Mauritius Commercial Bank Ltd, which provides another balanced assessment of key risks and controls, independent from reports received from the Manager's management.

The Head of IA SBU is independent of the Executive Management of the Manager and reports to the Audit Committee of MCBCM.

IA SBU ensures that the quality of internal audit services provided to MCB Group remains aligned with internationally recognised professional standards and leading practices. IA SBU adopts a systematic, disciplined and risk-based approach, leveraging focused audit programmes, data analytics and computer-assisted audit techniques to evaluate and enhance the effectiveness of MCB Group governance, risk management and internal control processes. In accordance with the requirements of the Global Internal Audit Standards (GIAS) issued by the Institute of Internal Auditors (IIA), an external quality assessment of the internal audit activity is required to be conducted at least once every five years. The latest external quality assessment was performed in 2023 by an internationally recognised auditing firm, which concluded that the IA SBU was in conformance with the International Standards for the Professional Practice of Internal Audit (IPPF Standards) that were in force at the time. In addition, the IA SBU is currently undergoing an independent assessment by the Institut Français de l'Audit et du Contrôle Internes (IFACI), an organisation affiliated with the IIA, as part of its continuous improvement journey, with a view to obtain the IFACI Quality Certification, which provides independent recognition of the function's conformance with the Global Internal Audit Standards (GIAS).

There are no restrictions placed on the internal auditors in conducting their audit exercises.

A follow-up of findings raised from the prior audit was performed specifically covering actions implemented around the following processes:

- Information Technology: Security Awareness Trainings and Quantis Logical Access Management/ Shared Folder Administration.
- Governance: Resource management & continuity planning.

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CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2026

7.2 External Auditor

The current auditor is BDO & Co and the tenure of office will be reviewed on a regular basis in line with good governance.

The Board receives reports from the Fund's external auditor. The external auditor did not carry out non-audit services for the Fund during the financial year under review.

The Board recommends the appointment of the external auditor to the shareholder.

The Board also evaluates the performance of the External Auditor and reviews the integrity, independence and objectivity of the External Auditor by:

- Confirming that the External Auditor is independent from the Fund
- Considering whether the relationships that may exist between the Fund and the External Auditor impair the External Auditor's judgement

The Board will recommend that the audit partner for the Fund be rotated every seven years.

7.3 Auditors' Fees

The fees paid to the auditors, for audit and other services were:

	2026	2025
	USD	USD
Audit fees - BDO & Co (inclusive of VAT):	4,945	4,715

8. RELATIONS WITH THE SHAREHOLDER AND OTHER KEY STAKEHOLDERS

The shareholder is kept informed of matters affecting the Fund. The Annual Meeting of shareholder is held in accordance with the Companies Act and upon consultation with the shareholder. Notices for the annual meeting and other shareholder meetings are duly sent to the shareholder.

The Fund's website provides relevant information to other stakeholders. Open lines of communication are maintained to ensure transparency and optimal disclosure.

a. Shareholders Agreement Affecting the Governance of the Fund by the Board

There is currently no such agreement.

b. Major Transaction

No major transaction as defined under section 130(2) of the Act was undertaken.

MCB USD SHORT DURATION FUND LTD

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2026

8. RELATIONS WITH THE SHAREHOLDER AND OTHER KEY STAKEHOLDERS (CONT'D)

c. Third-Party Management Agreement

(a) Investment Management Agreement

The Fund has entered into an investment management agreement with the Manager which gives the latter full power to administer, supervise and direct the acquisition and/or disposal (by whatever means) of the Fund's investments subject to and in compliance with the investment objectives and in light of any reasonable instructions that may be given by the Board. The Manager fulfils additional duties and reporting obligations including:

- (i) To provide instructions with respect to the execution of purchases and sales of investments on behalf of the Fund as it deems to be in the best interests of the Fund;
- (ii) To make all material disclosures to the Fund regarding itself and its members, managers, partners, officers, directors, shareholders, employees, affiliates or any person who controls any of the foregoing, their investment performance and general investment methods, the investment performance of their customer accounts;
- (iii) To maintain a continuous record of all investments and securities acquired by the Fund and with respect to all transactions effected by it or on behalf of the Fund in accordance with such regulatory and reporting requirements of the FSC and such other relevant authorities;
- (iv) To maintain such books and records as are appropriate, check all periodical reports, transaction advice and/or statements received from time to time from the Custodian and shall render to the Fund such periodic and special reports as the Fund may reasonably request from time to time;
- (v) To deal with applications for shares of the Fund and cause for the issue of shares duly subscribed for;
- (vi) To calculate the Net Asset Value of the Redeemable Participating Shares; and
- (vii) To perform (by itself or through other service providers) all administrative services required by the Fund and engage in any other lawful activities.

(b) Registrar

The Fund has appointed MCB Registry and Securities Ltd as its registrar (the "Registrar"). The Registrar is incorporated under the laws of Mauritius and is licensed by the FSC as a Registrar and Transfer Agent. The duties of the Registrar include:

- (i) Maintaining, in relation to each class of shares, the register of shareholders of the Fund and generally performing all actions related to the issuance and transfer of Redeemable Participating Shares and the safe-keeping of certificates, if any;
- (ii) Recording in the register all redemption and/or issue of Redeemable Participating Shares;
- (iii) Dealing with and replying to all correspondence and other communications addressed to the Fund in relation to the replacement or transfer of Redeemable Participating Shares; and
- (iv) Performing all other incidental services necessary to its duties, which duties are set out in the registrar and transfer agent agreement.

MCB USD SHORT DURATION FUND LTD

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2026

8. RELATIONS WITH THE SHAREHOLDER AND OTHER KEY STAKEHOLDERS (CONT'D)

c. Third-Party Management Agreement (Cont'd)

(c) Company Secretary

MCB Group Corporate Services Ltd has been appointed as Company Secretary. The Company Secretary is incorporated under the laws of Mauritius. The duties of the Company Secretary include:

- (i) Providing guidance to the Board relating to their duties, responsibilities and powers;
- (ii) Informing the Board of all legislation pertaining to meetings of the shareholders and the Board;
- (iii) Ensuring that the minutes of all meetings of shareholders and Board are properly recorded, and that all statutory registers are properly maintained; and
- (iv) Certifying in the annual financial statements, that the Fund has filed with the Registrar of Companies all such returns as are and may be required under Mauritian laws.

d. Shareholders Holding more than 5% of the Fund

The Fund is wholly owned by MCB Investment Management Co. Ltd.

e. Share Option Plan

No such scheme currently exists within the Fund.

f. Timetable of important events

The Board aims to hold board meetings at least four times a year and the annual meeting of shareholders is held by December every year.

g. Dividend Policy

The Fund does not have a distribution policy as the holders of both Ordinary Share and Redeemable Participating Shares do not have any rights to dividends.

MCB USD SHORT DURATION FUND LTD

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2026

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors collectively as a Board acknowledge their responsibilities for the following and state that:

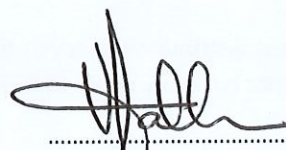
- (i) the financial statements fairly present the state of affairs of the Fund as at the end of the financial year and the result of operations and cash flows for the year;
- (ii) adequate accounting records and effective internal control systems and risk management have been maintained;
- (iii) appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;
- (iv) the financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), International Accounting Standard (IAS) and the Mauritius Companies Act 2001;
- (v) the financial statements have been prepared on a going concern basis;
- (vi) they are responsible for safeguarding the assets of the Fund;
- (vii) they are responsible for leading and controlling the organization and meeting all legal and regulatory requirements;
- (viii) they have taken reasonable steps for the prevention and detection of fraud and other irregularities.

The external auditor is responsible for reporting on whether the financial statements are fairly presented.

Having taken all the matters considered by the Board and brought to the attention of the Board during the year into account, we are satisfied that the annual report and financial statements taken as a whole are fair, balanced and understandable.

For and on behalf of the Board of Directors:


.....
Chairperson


.....
Director

Date: September 23, 2026

MCB USD SHORT DURATION FUND LTD

STATEMENT OF COMPLIANCE FOR THE YEAR ENDED JUNE 30, 2026

STATEMENT OF COMPLIANCE FOR THE YEAR ENDED JUNE 30, 2026

As per Section 75(3) of the Financial Reporting Act

Name of Public Interest Entity : MCB USD Short Duration Fund Ltd

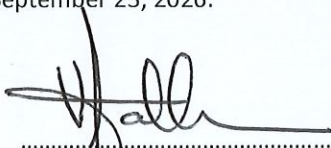
Reporting Period : July 1, 2025 to June 30, 2026

We, the directors of MCB USD Short Duration Fund Ltd, confirm to the best of our knowledge that the Fund has complied with all of its obligations and requirements under the Code of Corporate Governance except for certain sections as disclosed hereunder.

Principle	Section relating to	Reasons for non-compliance
2	Organisations should have at least an Audit Committee and a Corporate Governance Committee	Given that the Fund is a Collective Investment Scheme, this Principle is being complied with at the level of the Manager's holding and ultimate holding companies.
2	Board Structure with a designated Chairperson, an appropriate combination of executive, non-executive and independent directors and having both genders.	Given that the Fund is a Collective Investment Scheme with no employees, executive directors cannot be appointed. The Board of the Manager is compliant with this Principle except for the recommended number of 2 independent directors. The Manager is in the process of appointing an additional independent director.
4	Disclosure of remuneration paid to each individual director.	The Board of the Manager complies with this Principle, except that the remuneration and fees of its executive director have not been disclosed due to the sensitive nature of the information.

Signed for and on behalf of the Board of Directors on September 23, 2026.


.....
Chairperson


.....
Director

MCB USD SHORT DURATION FUND LTD

MANAGER'S REPORT FOR THE YEAR ENDED JUNE 30, 2026

The Fund invests in short term (maturities less than a year) corporate and government bonds. The Fund invest across different maturities whilst maintaining a duration of 6 months. Since inception, the Fund maintained an average 30% exposure to High Yield bonds (Investment Grade at 70%) in an effort to enhance yield of the portfolio.

Performance Review

The fund was launched on 01 April 2024. Since inception, it delivered a return of 10.5% against the benchmark (SOFR + 15 basis points) of 10.6%. As at 30 June 2026, the Fund size stood at USD 10.0 million. For FY2026, the Fund's return was 3.8% compared with 4.1% for the benchmark.

Portfolio Review

Portfolio characteristics as at the end of June 2026 are shown below:

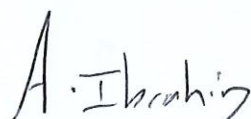
Statistic	Fund
USD Exposure %	100.00%
Investment Grade exposure %	74.69%
Effective Duration (Years)	0.44
Current Yield %	5.11%

Outlook for Markets

During the year, global fixed income markets were primarily driven by evolving expectations for US monetary policy, geopolitical developments and fiscal concerns. Early in the year, heightened policy uncertainty and concerns over slowing economic growth supported demand for US Treasuries, resulting in lower yields, particularly at the front end of the curve. As the year progressed, volatility increased amid trade policy uncertainty, Middle East tensions and growing concerns surrounding government debt sustainability. While resilient economic data and persistent inflation initially reinforced expectations that interest rates would remain higher for longer, easing inflationary pressures and signs of moderation in the labour market subsequently increased expectations for policy easing by the Federal Reserve. These developments led to significant movements in short-dated Treasury yields, which remained highly sensitive to changes in the interest rate outlook.

Towards the end of the year, bond markets delivered positive returns despite ongoing geopolitical uncertainty. The US Treasury curve experienced periods of both steepening and flattening as markets reassessed the path of monetary policy. Given the Fund's focus on short-duration fixed income securities, front-end yields and Federal Reserve policy expectations continued to be the key drivers of performance.

Looking ahead, the short-duration fixed income remains well positioned to benefit from attractive yield levels while maintaining limited interest rate risk. Central banks are expected to remain data-dependent, with future policy decisions influenced by inflation trends, labour market conditions and geopolitical developments. In this environment, short-duration assets continue to offer compelling income opportunities and flexibility while remaining resilient to potential market volatility.



MANAGER

For and on behalf of

MCB INVESTMENT MANAGEMENT CO. LTD

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of MCB USD Short Duration Fund Ltd

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MCB USD Short Duration Fund Ltd (the "Fund"), set out on pages 23 to 46 which comprise the statement of financial position as at June 30, 2026, and the statement of profit or loss and other comprehensive income, statement of net assets attributable to holders of redeemable participating shares and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2026, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and comply with the Mauritian Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the "IESBA Code"). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Management and Administration, Manager's report and Secretary's certificate, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT (CONT'D)

To the Shareholders of MCB USD Short Duration Fund Ltd (cont'd)

Responsibilities of Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and in compliance with the requirements of the Mauritian Companies Act 2001, and for such internal control as the Directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Directors.
- Conclude on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT (CONT'D)

To the Shareholders of MCB USD Short Duration Fund Ltd (cont'd)

Report on Other Legal and Regulatory Requirements*Mauritian Companies Act 2001*

The Mauritian Companies Act 2001 requires that in carrying out our audit we consider and report on the following matters. We confirm that:

- We have no relationship with, or interests in, the Fund, other than in our capacity as auditor and dealings in the ordinary course of business.
- We have obtained all information and explanations we have required.
- In our opinion, proper accounting records have been kept by the Fund as far as it appears from our examination of those records.

Mauritian Financial Services Act 2007

Our responsibility under the Mauritian Financial Services Act 2007 Circular Letter CL281021 is to report on the compliance with the Code of Corporate Governance ("Code") and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance, the Fund has complied with the requirements of the Code.

Other Matter

This report is made solely to the Fund's Shareholders, as a body, in accordance with Section 205 of the Mauritian Companies Act 2001. Our audit work has been undertaken so that we might state to the Fund's Shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and the Fund's Shareholders as a body, for our audit work, for this report, or for the opinions we have formed.


BDO & Co
Chartered Accountants

Port Louis,
Mauritius

September 23, 2026


Didier Dabydin, FCA
Licensed by FRC

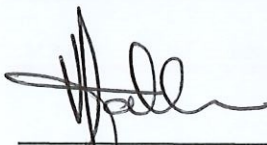
MCB USD SHORT DURATION FUND LTD

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2026

	Notes	2026 USD	2025 USD
ASSETS			
Other receivables	7	11,104	2,896
Financial assets at fair value through profit or loss	6	9,982,656	6,309,624
Cash and cash equivalents	17 (b)	27,455	592,539
Current tax asset	10 (a)	-	498
Total assets		10,021,215	6,905,557
EQUITY			
Ordinary share	16	229	229
Total equity		229	229
LIABILITIES			
Current tax liability	10 (a)	1,822	-
Other payables	9	9,035	7,989
Total liabilities (excluding net assets attributable to holders of redeemable participating shares)		10,857	7,989
Net assets attributable to holders of redeemable participating shares	8	10,010,129	6,897,339
Total liabilities		10,020,986	6,905,328
Total equity and liabilities		10,021,215	6,905,557
Net asset value per share		1,104.51	1,063.58

These financial statements have been approved for issue by the Board of Directors on September 23, 2026.



Mrs Vandana Sandya Nathoo
Director



Ms Medina Sarah Torabally
Director

The notes on pages 26 to 46 form an integral part of these financial statements.
Independent auditor's report on pages 22 to 22 (b).

MCB USD SHORT DURATION FUND LTD

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2026

	Notes	2026 USD	2025 USD
Income			
Interest on fixed income securities		310,625	278,015
Refund from Manager		9,929	14,088
		320,554	292,103
Expenses			
Manager's fees	11	21,160	16,509
Registrar's Fees	13	3,893	3,054
Custodian's Fees	14	2,668	2,369
Bank charges		1,624	867
Professional Fees	15	10,990	11,404
Other direct expenses		497	499
Secretarial fees		6,945	7,568
Licence fees		4,598	4,863
		52,375	47,133
Net income		268,179	244,970
Fair value gains on financial assets		9,887	27,207
Gains on disposal of financial assets		66,570	72,252
		76,457	99,459
Profit before taxation		344,636	344,429
Taxation	10 (b)	(28,537)	(10,905)
Profit for the year		316,099	333,524
Other comprehensive income		-	-
Increase in net assets attributable to holders of redeemable participating shares		316,099	333,524

The notes on pages 26 to 46 form an integral part of these financial statements.
Independent auditor's report on pages 22 to 22 (b).

MCB USD SHORT DURATION FUND LTD

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 USD
At July 01, 2025		6,897,339
Issue of redeemable participating shares	8	3,409,436
Redemption of redeemable participating shares	8	(612,745)
Increase in net assets attributable to holders of redeemable participating shares		316,099
At June 30, 2026		<u>10,010,129</u>
		2025 USD
At July 01, 2024		6,363,815
Issue of redeemable participating shares	8	200,000
Increase in net assets attributable to holders of redeemable participating shares		333,524
At June 30, 2025		<u>6,897,339</u>

The notes on pages 26 to 46 form an integral part of these financial statements.
Independent auditor's report on pages 22 to 22 (b).

MCB USD SHORT DURATION FUND LTD

STATEMENT OF CASH FLOW FOR THE YEAR ENDED JUNE 30, 2026

	Notes	2026 USD	2025 USD
Cash flows from operating activities			
Cash used in operations	17 (a)	(49,608)	(32,194)
Interest received on fixed income securities		243,654	304,639
Purchase of financial assets		(12,429,775)	(10,591,220)
Proceeds from disposal of financial assets		8,900,172	10,296,960
Tax paid		(26,218)	(12,622)
Net cash used in operating activities		(3,361,775)	(34,437)
Cash flows from financing activity			
Issue of redeemable participating shares	8 (i)	3,409,436	200,000
Redemption of redeemable participating shares		(612,745)	-
Net cash generated from financing activity		2,796,691	200,000
(Decrease) / increase in cash and cash equivalents		(565,084)	165,563
Movement in cash and cash equivalents			
At July 01,		592,539	426,976
Net change in cash and cash equivalents		(565,084)	165,563
At June 30,		27,455	592,539

The notes on pages 26 to 46 form an integral part of these financial statements.
Independent auditor's report on pages 22 to 22 (b).

MCB USD SHORT DURATION FUND LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2026

1 OBJECTIVE

The Fund's objective is to achieve a risk-return profile consistent with conservative investment strategies by investing primarily in USD-denominated fixed income securities.

These financial statements will be submitted for consideration and approval at the forthcoming annual meeting of shareholders of the Fund.

2 BASIS OF PREPARATION

The financial statements of MCB USD Short Duration Fund Ltd comply with the Mauritius Companies Act 2001 and have been prepared in accordance with IFRS Accounting Standards. Where necessary, comparative figures have been amended to conform with change in presentation in the current year. The financial statements are prepared under the historical cost convention, except that financial assets at fair value through profit or loss are stated at their fair value.

The financial statements of the Fund are presented in US Dollars (USD) which is the functional currency of the Fund and all values are rounded to the nearest dollar, except where otherwise indicated.

Standards, Amendments to published Standards and Interpretations effective in the reporting period

IAS 21 The Effects of Changes in Foreign Exchange Rates

Lack of Exchangeability: The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments have no impact on the Fund's financial statements.

Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2026 or later periods, but which the Fund has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

Effective date January 1, 2026

IFRS 9 Financial Instruments & IFRS 7 Financial Instruments: Disclosures

Classification and Measurement of Financial Instruments: The amendments clarify that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice to derecognise financial liabilities settled using an electronic payment system before the settlement date. Other clarifications include the classification of financial assets with ESG linked features via additional guidance on the assessment of contingent features. Clarifications have been made to non-recourse loans and contractually linked instruments. Also, additional disclosures have been introduced for financial instruments with contingent features and equity instruments designated at fair value through other comprehensive income.

Contracts Referencing Nature-dependent Electricity: The amendments clarify how IFRS 9 should be applied to power purchase agreements with specific characteristics. The amendments include clarification on the application of the 'own-use' requirements and permitting hedge accounting if these contracts are used as hedging instruments. New disclosure requirements have also been included to enable investors to understand the effect of these contracts on a Fund's financial performance and cash flows.

MCB USD SHORT DURATION FUND LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2026

2 BASIS OF PREPARATION (CONT'D)

Standards, Amendments to published Standards and Interpretations issued but not yet effective (cont'd)

Effective date January 1, 2027

IFRS 18 Presentation and Disclosure in Financial Statements

Presentation and disclosure in financial statements : IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals presented within the statement of profit or loss within one of the following five categories – operating, investing, financing, income taxes, and discontinued operations. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, it brings about consequential amendments to other accounting standards. This standard replaces IAS 1 - Presentation of Financial Statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

Subsidiaries without Public Accountability: Disclosures : IFRS 19 is a non-mandatory standard. It specifies the disclosure requirements that eligible subsidiaries are permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards. It allows eligible entities to benefit from reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. Subsidiaries are eligible to apply IFRS 19 if they do not have public accountability and their parent, intermediate parent or ultimate parent company produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

The effective date of the following amendments have been deferred indefinitely until further notice:

IFRS 10 Consolidated Financial Statements

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

IAS 28 Investments in Associates and Joint Ventures

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment to address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2026

3 ACCOUNTING POLICIES

The accounting policies set out below have been consistently applied to all the years presented in these financial statements, unless otherwise stated.

(a) Financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification depends on the Fund's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

The Manager determines the classification of investments at initial recognition.

The Fund classifies its financial assets into one of the categories discussed below, depending on the business model assessment and contractual cashflows of the assets. The Fund's accounting policy for each category is as follows:

(i) Fair value through profit or loss

The Fund classifies the following financial assets at fair value through profit or loss (FVTPL):

- investment in debt instruments which are held for trading and elected to be classified as FVTPL by the Directors.
- debt investments that do not qualify for measurement at either amortised cost or FVOCI.

Subsequent Measurement

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss.

(ii) Amortised cost

These assets arise principally where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

MCB USD SHORT DURATION FUND LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2026

3 ACCOUNTING POLICIES (CONT'D)

(a) Financial assets (cont'd)

(ii) Amortised cost (cont'd)

The Fund financial assets measured at amortised cost comprise other receivables, excluding prepayments and cash and cash equivalents in the statement of financial position.

Cash and cash equivalents include bank balances.

Derecognition of financial assets

The Fund derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Fund neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Fund recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Fund retains substantially all the risks and rewards of ownership of a transferred financial asset, the Fund continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(b) Financial liabilities

The Fund classifies its financial liabilities as follows:

- Other payables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Derecognition of financial liabilities

The Fund derecognises financial liabilities when, and only when, the Fund's obligations are discharged, cancelled or they expire.

(c) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured.

Interest receivable are accrued as and when the fund is entitled to receive interest income over time.

(d) Fees & other expenses

Fees and other expenses are recognised in profit or loss on an accrual basis.

(e) Net gains/(losses) from financial instruments at fair value through profit or loss

Net gains/(losses) from financial instruments at fair value through profit or loss include all realised and unrealised fair value changes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2026

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Current and deferred income tax

Current Tax

The current income tax is based on taxable income for the year calculated on the basis of tax laws enacted or substantively enacted by the end of the reporting period.

Deferred Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted at the reporting date and are expected to apply in the period when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable amounts will be available against which deductible temporary differences and losses can be utilised.

(g) Provisions

Provisions are recognised when the Fund have a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

(h) Redeemable Participating Shares

The Fund classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

The Participating Shares are the most subordinate classes of financial instruments in the Fund and rank pari passu in all material respects and have the same terms and conditions. The Participating Shares provide investors with the right to require redemption for cash at a value proportionate to the investor's share in the Fund's net assets at each daily redemption date and also in the event of the Fund's liquidation.

The Participating Shares are classified as financial liabilities and are measured at the present value of the redemption amount.

(i) Ordinary Share

Ordinary share is classified as equity. Incremental costs directly attributable to the issue of management shares is recognised as a deduction from equity, net of any tax effects.

MCB USD SHORT DURATION FUND LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2026

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Foreign currencies

(i) Functional and presentation currency

The financial statements are presented in US Dollars (USD), which is the Fund's functional and presentation currency. The Fund's business or other activity is carried out in a currency other than the Mauritian rupee, which is a requirement of the Financial Services Act 2007. Subscriptions and redemptions of the redeemable participating shares in the Fund are denominated in US Dollar. The performance of the Fund is measured and reported to the investors in USD. The Board of Directors considers the USD as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency of the Fund using the mid-exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end mid-exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss and other comprehensive income.

Foreign exchange gains and losses that relate to cash and cash equivalents and all other foreign exchange gains and losses are presented in profit or loss within 'foreign exchange gains/(losses)'.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate prevailing at the date that their fair value are determined.

4 FINANCIAL RISK MANAGEMENT

(a) Introduction and Overview

The Fund has exposure to the following risks although the list below is not exhaustive:

- Credit Risk
- Liquidity Risk
- Market Risk
- Interest Rate Risk
- Operational Risk

This note presents information about the Fund's exposure to each of the above risks, the Fund's objectives, policies and processes for measuring and managing risk, and the Fund's management of capital.

Risk Management Framework

The Fund may maintain positions in a variety of derivative and non-derivative financial instruments in accordance with its investment management strategy. To enable the Fund to do so, the Manager shall take active positions in eligible bonds and currencies, but within risk parameters which are more fully described in the prospectus of the Fund.

The Fund's investments comprises of quoted debt securities and the Fund intends to hold most of the securities until maturity so as to limit trading costs.

Asset purchases and sales are determined by the Manager, who has been given discretionary authority to manage the asset allocation to achieve the Fund's investment objectives. Compliance with the target asset allocations and the composition of the portfolio is monitored by the Board of Directors. In instances where the portfolio has diverged from target asset allocations, the Manager is obliged to take actions to rebalance the portfolio in line with the established targets, within prescribed time limits.

MCB USD SHORT DURATION FUND LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2026

4 FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund, resulting in a financial loss to the Fund. It arises principally from debt securities held, and also from derivative financial assets and cash and cash equivalents.

A Fund could lose money if the issuer or guarantor of a fixed income security (including a security purchased with securities lending collateral), or the counterparty to a derivatives contract, repurchase agreement or a loan of portfolio securities, is unable or unwilling, or is perceived (whether by market participants, rating agencies, pricing services or otherwise) as unable or unwilling, to make timely principal and/or interest payments, or to otherwise honour its obligations. The downgrade of the credit of a security held by the Fund may decrease its value. Securities are subject to varying degrees of credit risk, which are often reflected in credit ratings.

At June 30, the Fund has invested in debt securities with the following credit quality:

Rating	2026	2025
AAA	0.2%	8.6%
AA	0.0%	7.8%
A	3.0%	21.6%
BBB	66.4%	40.3%
BB	11.2%	4.4%
B	19.2%	17.3%
Total	100.0%	100.0%

Concentration of Credit Risk

As at the reporting date, the debt securities exposures were concentrated in the following geographies:

	2026	2025
United States of America	100.0%	100.0%
	100.0%	100.0%

The following table sets out the distribution of the types of bond held by the Fund as at reporting date:

	2026	2025
Debt Securities	% of Net Assets	% of Net Assets
Government Debt Securities	0.0%	23.7%
Corporate Debt Securities	100.0%	76.3%
Total Debt Securities	100.0%	100.0%

Settlement Risk

The Fund's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed.

For the vast majority of transactions, the Fund mitigates this risk by conducting settlements through a broker or by participating in primary auctions of Central Banks.

MCB USD SHORT DURATION FUND LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2026

4 FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity Risk

Liquidity risk exists when particular investments are difficult to purchase or sell. Illiquid securities are securities that cannot be disposed of within seven days in the ordinary course of business at approximately the value at which the Fund has valued the securities. The Fund's investments in illiquid securities may reduce the returns of the Fund because it may be unable to sell the illiquid securities at an advantageous time or price. This situation can be exacerbated in times of adverse market or economic conditions.

Management of Liquidity Risk

The Fund's constitution provides for the daily creation and cancellation of shares and the Redemption Request will be processed on the dealing day immediately following date of receipt and acceptance of the redemption request by the Manager and at the redemption price applicable on such dealing day. It is therefore exposed to the liquidity risk of meeting shareholder redemptions at each redemption date.

The Fund's liquidity risk is managed by paying redemption monies to the applicant within seven business days of deal date. The directors are empowered to impose a redemption gate should redemption levels exceed 10 percent of the net assets value of the Fund in any redemption period.

The following are the contractual maturities of financial assets and liabilities, including estimated interest payments and excluding the impact of netting agreements.

	On demand	Less than 1 year	Total
<u>June 30, 2026</u>	USD	USD	USD
<u>Financial assets</u>			
At amortised cost:			
Other receivables*	10,659	-	10,659
Cash and cash equivalents	27,455	-	27,455
At fair value through profit or loss:			
Financial assets at fair value through profit or loss	9,982,656	-	9,982,656
	10,020,770	-	10,020,770
<u>Financial liabilities</u>			
At amortised cost:			
Other payables	9,035	-	9,035
Net assets attributable to holders of redeemable participating shares	10,010,129	-	10,010,129
	10,019,164	-	10,019,164
Net position	1,606	-	1,606

MCB USD SHORT DURATION FUND LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2026

4 FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity Risk (con't)

	On demand	Less than 1 year	Total
<u>June 30, 2025</u>	USD	USD	USD
<u>Financial assets</u>			
At amortised cost:			
Other receivables*	730	-	730
Cash and cash equivalents	592,539	-	592,539
At fair value through profit or loss:			
Financial assets at fair value through profit or loss	6,309,624	-	6,309,624
	6,902,893	-	6,902,893
	<u>On demand</u>	<u>Less than 1 year</u>	<u>Total</u>
	USD	USD	USD
<u>Financial liabilities</u>			
At amortised cost:			
Other payables	7,989	-	7,989
Net assets attributable to holders of redeemable participating shares	6,897,339	-	6,897,339
	6,905,328	-	6,905,328
Net position	(2,435)	-	(2,435)

*Expenses prepaid have been excluded from other receivables.

(d) Market Risk

Market risk is the risk that changes in market prices, such as interest rates and credit spreads (not relating to changes in the obligor's/issuer's credit standing) will affect the Fund's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The market price of securities owned by the Fund may go up or down, sometimes rapidly or unpredictably. Securities may decline in value due to factors affecting securities markets generally or particular industries represented in the securities markets. The value of a security may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. The value of a security may also decline due to factors which affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. During a general downturn in the securities markets, multiple asset classes may decline in value simultaneously. Equity securities generally have greater price volatility than fixed income securities.

MCB USD SHORT DURATION FUND LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2026

4 FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Market Risk (con't)

The Fund's strategy for the management of market risk is driven by the Fund's investment objective. The Fund's market risk is managed on a daily basis by the Fund Manager in accordance with policies and procedures in place. Refer to the market sensitivity analysis on Note 20 (b).

Management of Market Risk

The Fund may use derivatives to manage its exposure to foreign currency and interest rate. The instruments used include forward contracts, futures and options. The Fund does not apply hedge accounting.

(e) Interest Rate Risk

The Fund is exposed to the risk that the fair value or future cash flows of its financial instruments will fluctuate as a result of changes in market interest rates.

Duration is a measure used to determine the sensitivity of a security's price to changes in interest rates. The longer a security's duration, the more sensitive it will be to changes in interest rates. Duration is proportional to the time to maturity of a security and inversely proportional to the magnitude of the coupon. The duration of securities whose cash flows fluctuate, such as inflation linked bonds, will change as the cash flow profile changes. Refer to Note 20.

The Fund's exposures are monitored by the board of directors.

(f) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Fund's operations either internally within the Fund or externally at the Fund's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour. Operational risks may arise from all of the Fund's activities.

The Fund's objective is to manage operational risks so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns to investors.

The Fund may face increased operational risks as a result of the growth of its business. Operational risk is the risk of direct and indirect loss resulting from inadequate or failed internal processes, people, systems or external events.

Operational risks are inherent in the Fund's business, including the risk of loss resulting from inadequate or failed internal and external processes, documentation, people and systems or from external events. The Fund's business is dependent on its ability to process accurately and efficiently a high volume of complex transactions across numerous and diverse products and services, in different currencies and subject to a number of different legal and regulatory regimes. The Fund's systems and processes are designed to ensure that the operational risks associated with its activities are appropriately controlled, but any weakness in these systems could result in a negative impact on the Fund's business, financial condition, results of operations and prospects.

The primary responsibility for the development and implementation of controls over operational risk rests with the board of directors. This responsibility is supported by the development of overall standards for the management of operational risk, which encompasses the controls and processes at the service providers and the establishment of service levels with the service providers.

MCB USD SHORT DURATION FUND LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2026

4 FINANCIAL RISK MANAGEMENT (CONT'D)

(f) Operational risk (cont'd)

Operational risk relating to systems and personnel has been minimised by investing in adequate training. The Fund has invested in backup computing systems and infrastructure that are held offsite whereby qualified personnel will be able to act in a timely manner should the need arise. Operational procedures have been set to ensure that all transactions are done with the highest standards.

The Directors' assessment over the adequacy of the controls and processes in place at the service providers with respect to operational risks is carried out via regular discussions with the service providers.

(g) Fair value estimation

Except where stated elsewhere, the carrying amounts of the Fund's financial assets and financial liabilities approximate their fair value.

(h) Capital Management

The capital of the Fund is represented by the net assets attributable to holders of redeemable participating shares.

The Participating Shares issued by the Fund provide an investor with the right to require redemption for cash at a value proportionate to the investor's share in the Fund's net assets at each daily redemption date and are classified as liabilities. See note 8 for a description of the terms of the Redeemable Participating Shares issued by the Fund.

The Fund's objectives in managing the Participating Shares are to ensure a stable base to maximise returns to all investors, and to manage liquidity risk arising from redemptions.

The Fund is not subject to any externally imposed capital requirements.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Judgements

(a) Limitation of sensitivity analysis

Sensitivity analysis in respect of interest rate risk demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and the other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

(b) Election of debt instrument classified as FVTPL

Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVTPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises.

MCB USD SHORT DURATION FUND LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2026

6 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The movement in financial assets at fair value through profit or loss may be summarised as follows, and has been disclosed in the schedule of investment as per Note 20 (a) to these financial statements:

	2026	2025
	USD	USD
At July 01,	6,252,481	6,270,934
Additions during the year	12,429,775	10,179,048
Disposals during the year	(8,806,575)	(10,218,713)
Fair value gains on financial assets	9,887	27,207
Fair value release on disposal	(27,027)	(5,995)
	9,858,541	6,252,481
Interest receivable	124,115	57,143
At June 30,	9,982,656	6,309,624

As at June 30, 2026, the Fund has investment in bonds with their prices available on Bloomberg and tradable with settlement received/paid within 3 business days after execution. The Fund does not foresee any credit risk. Debt instrument is not secured by any collateral. All change in fair value is attributable to changes in market conditions as credit risk is low. The maximum exposure to credit risk is USD 9,982,656 (2025: USD 6,309,624).

7 OTHER RECEIVABLES

	2026	2025
	USD	USD
Share capital receivable (note 16)	229	229
Expenses prepaid	445	2,166
Receivable from Manager	10,430	501
	11,104	2,896

The carrying amounts of other receivables (except prepayments) approximate their fair values and do not contain impaired balances. The Fund does not hold any collateral as security.

8 MOVEMENT IN REDEEMABLE PARTICIPATING SHARES

The analysis of movements in the number of redeemable participating shares during the year under review are as follows:

(i) Issued and Fully Paid

	2026	2025
	USD	USD
At July 01,	6,500,000	6,300,000
Issue of shares during the year	3,409,436	200,000
Redemption of shares during the year	(612,745)	-
At June 30,	9,296,691	6,500,000

(ii) Number of shares

	2026	2025
	No. of Shares	No. of Shares
At July 01,	6,485	6,294
Issue of shares during the year	3,138	191
Redemption of shares during the year	(560)	-
At June 30,	9,063	6,485

The Board may issue shares at any time and there is no limit on the number of shares to be issued of no par value.

MCB USD SHORT DURATION FUND LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2026

8 MOVEMENT IN REDEEMABLE PARTICIPATING SHARES (CONT'D)

(iii) Class Rights

The Redeemable Participating shares have no par value and are issued at the issue price in accordance to the offering Memorandum. They shall confer upon the holders thereof the rights set out below:

1 Voting rights

The holders of Participating Shares shall not have the right to receive notice of meeting of shareholders and attend such meetings, and shall have no right to vote at any meeting of shareholders, other than class meetings, of the Fund and/or to approve any resolution of the Fund.

2 Dividends

The holders of the Redeemable Participating shares shall not have any rights to dividends.

3 Distribution of surplus assets

Upon winding up of the Fund, the holders of the Redeemable Participating shares shall have the right a pro-rata share of any surplus assets of the Fund in accordance with the Constitution.

(iv) Reconciliation of Net Assets and Net Assets Value per Share

	<u>2026</u>	<u>2025</u>
	<u>USD</u>	<u>USD</u>
Net Assets as per Prospectus as at June 30,	10,011,108	6,900,385.0
Adjustments:		
Coupon receivable adjustment	(8)	(4)
Movement in fee payables and prepayments	193	(3,313)
Income tax adjustment	(1,164)	271
	<u>10,010,129</u>	<u>6,897,339</u>
	<u>2026</u>	<u>2025</u>
	<u>USD</u>	<u>USD</u>
	<u>Per Share</u>	<u>Per Share</u>
Net Assets per share as per Prospectus as at June 30,	1,104.70	1,064.05
Adjustments:		
Coupon receivable adjustment	(0.00)	(0.00)
Movement in fee payables and prepayments	0.02	(0.51)
Income tax adjustment	(0.21)	0.04
	<u>1,104.51</u>	<u>1,063.58</u>

MCB USD SHORT DURATION FUND LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2026

9 TRADE AND OTHER PAYABLES

	2026	2025
	USD	USD
Professional fees payable	5,422	5,434
Other payables	818	630
Amount due to:		
- MCB Investment Management Co. Ltd	2,036	1,414
- The Mauritius Commercial Bank Ltd - Custody Business Unit	384	251
- MCB Registry & Securities Ltd	375	260
	<u>9,035</u>	<u>7,989</u>

The carrying amounts of other payables approximate their fair values.
Amount due to related parties are disclosed in note 18 (f).

10 INCOME TAX

The Fund is a tax resident company in Mauritius and under current laws and regulations is liable to pay tax on its net income at a rate of 15%. The Fund is entitled to either (a) a foreign tax credit equivalent to the actual foreign tax suffered on its foreign income against the Fund's tax liability computed at 15% on such income, or (b) an 80% exemption on its income other than interest which qualifies for an 95% exemption as per the Second Schedule of the Income Tax Act 1995. In addition, the Fund is subject to a Corporate Social Responsibility Levy of 2% on its chargeable income.

(a) *In the statement of financial position*

	2026	2025
	USD	USD
At July 01,	(498)	1,219
Income tax on the adjusted profit for the year at 15%	3,436	2,483
Withholding tax	25,101	8,422
Tax paid during the year	(26,217)	(12,622)
At June 30,	<u>1,822</u>	<u>(498)</u>
Payable / (Receivable) as follows:		
Income Tax receivable	(17)	(900)
Corporate Social Responsibility (CSR)	1,839	402
	<u>1,822</u>	<u>(498)</u>

(b) *In the statement of profit or loss and other comprehensive income*

	2026	2025
	USD	USD
Current tax on the adjusted profit for the year at 15%	1,747	2,191
Under accrual	(5)	-
Corporate Social Responsibility (CSR) calculated at 2%	1,694	292
Withholding tax	25,101	8,422
Charge for the year	<u>28,537</u>	<u>10,905</u>

MCB USD SHORT DURATION FUND LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2026

10 INCOME TAX (CONT'D)

The tax on the Fund's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the Fund as follows:

	2026	2025
	USD	USD
Profit before taxation	344,636	344,429
Tax effect on:		
Exempt Income	(327,035)	(383,879)
Expenses not deductible for tax purposes	67,136	54,056
Chargeable income	84,737	14,606
Tax calculated at 15% (2025: 15%)	12,710	2,191
Corporate Social Responsibility (CSR) calculated at 2%	1,694	292
Relief on foreign tax suffered	(10,968)	-
Withholding tax suffered	25,101	8,422
Taxation Charge	28,537	10,905

- ☐ Exempt income comprise of gain on revaluation of investments and gain on disposal of bonds.
- ☐ Expenses not deductible for tax relate to expenses relating to exempt income.
- ☐ Withholding tax arise from coupons denominated in USD, received during the year.

11 MANAGER'S FEES

A management fee is payable by the Fund to the Manager, calculated as a percentage per annum of the NAV of the Fund. The management fee accrues on a daily basis and is payable on the last Business Day of each month. This percentage may from time to time be revised by the Manager after agreement with the Board and will not exceed 0.50%. The rate of the management fee currently stands at 0.25% per annum.

12 FEES OF THE CORPORATE SECRETARY

The fees payable by the Fund to the Corporate Secretary have a fixed and variable component. These fees may be reviewed from time to time by the Corporate Secretary in accordance with the terms of the Corporate Services Agreement but shall in no case exceed market rate.

13 REGISTRAR'S FEES

The Fund shall pay a fee to the Registrar for keeping the register of shareholders. This fee will be calculated as a percentage per annum of the NAV of the Fund. The registrar fee shall accrue on a daily basis and be payable on the last Business Day of each month. This percentage may from time to time be revised by the Registrar after agreement with the Board. The rate of the registrar fee currently stands at 0.046% per annum.

14 CUSTODIAN'S FEES

A custodian fee is payable by the Fund to the Custodian, calculated as a percentage of the value of investment in the country in which we invest for the safe-keeping and dealing with the assets of the Fund. The custodian fee accrues on a daily basis and is payable on the last Business Day of each month. This percentage may from time to time be revised by the Manager after agreement with the Board. The rate of the custodian fee currently stands at 0.035% per annum.

MCB USD SHORT DURATION FUND LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2026

15 PROFESSIONAL FEES

	2026	2025
	USD	USD
Audit Fees	4,714	6,199
Taxation fee	751	747
Directors' fees	5,525	4,458
	<u>10,990</u>	<u>11,404</u>

16 ORDINARY SHARE

One Ordinary Share of MUR 10,000 was issued by the Fund to MCB Investment Management Co. Ltd on incorporation. The Ordinary share is receivable at as June 30, 2026 as disclosed in note 7 to the annual report. The Board has issued Ordinary Share only to the Manager. The Ordinary Share shall be non-redeemable. The Board may issue shares at any time and there is no limit on the number of shares to be issued of no par value.

(a) Rights of Ordinary Share

The rights attached to the Ordinary Share as are follows:

☐ Voting rights:

The holder of the Ordinary Share shall have the right to receive notice of meeting and the right to vote at any meeting of ordinary shareholders of the Fund and/or to approve any resolution of the Fund.

☐ Dividends:

The holder of the Ordinary Share shall not have the rights to dividends.

☐ Distribution of surplus assets:

Upon winding up of the Fund, the holder of the Ordinary Share shall have the right to receive an amount equal to the sums paid up on such Ordinary Share but after payment to the holders of Redeemable Participating shares in accordance with the Constitution.

17 NOTES TO THE STATEMENT OF CASH FLOWS

(a) Cash used in operations

	2026	2025
	USD	USD
Profit before taxation	344,636	344,429
Adjustments for:		
Fair value gains on financial assets	(9,887)	(27,207)
Gains on disposal of financial assets	(66,570)	(72,252)
Interest on fixed income securities	(310,625)	(278,015)
	<u>(42,446)</u>	<u>(33,045)</u>
Changes in working capital:		
- other receivables	(8,208)	(2,668)
- other payables	1,046	3,519
Cash used in operations	<u>(49,608)</u>	<u>(32,194)</u>

MCB USD SHORT DURATION FUND LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2026

17 NOTES TO THE STATEMENT OF CASH FLOWS (CONT'D)

(b) Cash and Cash Equivalents

	2026	2025
	USD	USD
Cash at bank	27,455	592,539

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, no impairment loss was recognised during the year.

(c) Reconciliation of liabilities arising from financing activities

	2026	2025
	USD	USD
At July 01,	6,500,000	6,300,000
Issue of redeemable participating shares	3,409,436	200,000
Redemption of redeemable participating shares	(612,745)	-
At June 30,	9,296,691	6,500,000

18 RELATED PARTY TRANSACTIONS

The transactions of the Fund with related parties during the years 2026 and 2025 are as follows:

(a) Manager's Fees

The Fund appointed MCB Investment Management Co. Ltd to implement the investment strategy as specified in the Prospectus. MCB Group Limited is the ultimate holding company of the Manager. The investment management fees are detailed below:

	2026	2025
	USD	USD
MCB Investment Management Co. Ltd	21,160	16,509

(b) Registrar's Fees

MCB Registry & Securities Ltd, which is an entity under common control, acts as the Registrar and Transfer Agent of the Fund. MCB Group Limited is the ultimate holding company of the Registrar. The Registrar fees are detailed below:

	2026	2025
	USD	USD
MCB Registry & Securities Ltd	3,893	3,054

(c) Custodian's Fees

The Fund appointed The Mauritius Commercial Bank Ltd to provide custody services in respect of the Fund's assets. MCB Group Limited is the ultimate holding company of the Custodian. The custodian fees are detailed below:

	2026	2025
	USD	USD
The Mauritius Commercial Bank Ltd - Custody Business Unit	2,668	2,369

MCB USD SHORT DURATION FUND LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2026

18 RELATED PARTY TRANSACTIONS (CONT'D)

(d) Corporate Secretarial Fees

MCB Group Corporate Services Ltd which is an entity under common control, acts as the Corporate Secretary of the Fund. MCB Group Limited is the ultimate holding company of the Company Secretary. The secretarial fees are detailed below:

	2026	2025
	USD	USD
MCB Group Corporate Services Ltd	6,945	7,568

(e) Key Management Personnel (including Directors' Remuneration)

	2026	2025
	USD	USD
Directors fees	5,525	4,458

(f) Outstanding balances as at June 30,

	2026	2025
	USD	USD
<i>Payables to related parties</i>		
MCB Investment Management Co. Ltd (Manager)	2,036	1,414
MCB Group Corporate Services Ltd	-	630
The Mauritius Commercial Bank Ltd (Custodian)	384	251
MCB Registry & Securities Ltd (Registrar)	375	260
	2,795	2,555
<i>Receivable from related party</i>		
MCB Investment Management Co. Ltd	229	229

(g) Bank balances

	2026	2025
	USD	USD
The Mauritius Commercial Bank Ltd	27,455	592,539

The above transactions reflect the commercial objective of the Fund and occurred in the normal course of business. They have been carried out at least under market terms and conditions.

There has been no guarantees provided or received for any related party receivables or payables.

The outstanding balances as at year end are unsecured, interest-free and repayable on demand.

19 EVENTS AFTER THE REPORTING PERIOD

There have been no material events since the end of the reporting period which would require disclosure or adjustment to the financial statements for the year ended June 30, 2026.

MCB USD SHORT DURATION FUND LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

<u>June 30, 2025</u>		<u>June 30, 2026</u>	
Market Value		Market Value	
(USD)	Security Description	(USD)	% of Net Assets
20 (a). Schedule of Investments			
	Quoted Foreign Fixed Income Securities		
-	Access Bank PLC - 6.125% - 21-Sep-2026	649,805	6.49%
679,952	Afreximbank - 2.634% - 17-May-2026	-	-
538,054	Arab Energy Fund - 1.26% - 10-Feb-2026	-	-
-	Amgen Inc - 2.2% - 21-Feb-2027	641,479	6.41%
200,864	Barclays Bank PLC - 5.20% - 12-May-2026	-	-
-	Baidu Inc - 3.625% - 06-Jul-2027	297,423	2.97%
492,400	Boeing Co - 2.196% - 04-Feb-2026	-	-
389,996	CBQ Finance Ltd - 2.00% - 12-May-2026	-	-
-	Citigroup Inc - 4.3% - 20-Nov-2026	499,960	4.99%
380,076	Citigroup Inc - 4.60% - 09-Mar-2026	-	-
-	DELL INT LCC / EMC CORP- 4.90% - 01-Oct-2026	500,340	5.00%
495,310	Dib Sukuk Ltd - 2.95% - 16-Jan-2026	-	-
198,638	EI Sukuk Co Ltd -1.827% - 23-Sep-2025	-	-
-	Export - Import BK India - 3.375% - 05-Aug-2026	798,920	7.98%
-	Fidelity Bank PLC - 7.625% - 28-Oct-2026	551,326	5.51%
499,415	Ford Motor Credit Co LLC 4.134% - 04-Aug-2025	-	-
-	Ford Motor Credit Co LLC - 4.271% - 09-Jan-2027	498,760	4.98%
-	HCA INC - 4.5% - 15-Feb-2027	499,870	4.99%
497,910	ICICI Bank - 4% - 18-Mar-2026	-	-
-	Intel Corp - 3.15% - 11-May-2027	643,162	6.43%
423,122	Namibia - 5.25% - 29-Oct-2025	-	-
-	Nomura Holdings Inc - 5.386% - 06-Jul-2027	403,572	4.03%
-	PROSUS NV - 3.257% - 19-Jan-2027	496,295	4.96%
-	REC LTD - 2.25%- 01-Sep-2026	497,830	4.97%
403,240	Republic of Angola - 9.5% - 11-Dec-2025	-	-
358,106	Republic of Nigeria - 7.625% - 21-Nov-2025	-	-
300,222	Republic of South Africa - 5.875% - 16-Sep-2025	-	-
395,176	Saudi Arabian Oil Co - 1.625% - 24-Nov-2025	-	-
-	Sasol Financing USA LLC - 4.375% - 18-Sep-2026	598,650	5.98%
-	Standard Chartered - 4.30% - 19-Feb-2027	499,185	4.99%
-	State Bank India/London - 2.49% - 26-Jan-2027	1,081,510	10.80%
-	United Bank for Africa - 6.75% - 19-Nov-2026	700,455	7.00%
<u>6,252,481</u>	TOTAL QUOTED FOREIGN FIXED INCOME SECURITIES	<u>9,858,541</u>	<u>98.48%</u>
<u>57,143</u>	INTEREST RECEIVABLE ON FINANCIAL ASSETS	<u>124,115</u>	<u>1.24%</u>
<u>6,309,624</u>	TOTAL ASSETS – FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	<u>9,982,656</u>	<u>99.72%</u>
6,309,624	TOTAL MARKET VALUE OF INVESTMENTS	9,982,656	99.72%
<u>587,944</u>	OTHER ASSETS NET OF LIABILITIES	<u>27,702</u>	<u>0.28%</u>
<u>6,897,568</u>	NET ASSETS	<u>10,010,358</u>	<u>100.00%</u>

MCB USD SHORT DURATION FUND LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

20 (b). Currency profile & sensitivity analysis

<u>Currency Profile</u>			
6,897,568	USD	10,010,358	100.00%
6,897,568	NET ASSETS	10,010,358	100.00%
<u>Fair Value Hierarchy</u>			
6,309,624	Level 1	9,982,656	99.72%
6,309,624	TOTAL MARKET VALUE OF INVESTMENTS	9,982,656	99.72%

The below reflects the impact on changes in interest rates on bonds, with all other variables held constant, on profit before taxation.

	<u>Jun 30, 2026</u>	<u>Jun 30, 2025</u>
	Impact on Profit before taxation	Impact on Profit before taxation
<u>Interest rates sensitivity</u>		
Decrease by 0.25%	lower by USD25k	lower by USD16k
Increase by 0.25%	higher by USD25k	higher by USD16k

The below reflects the impact of changes in market price, with all other variables held constant, on profit before taxation.

	<u>Jun 30, 2026</u>	<u>Jun 30, 2025</u>
	Impact on Profit before taxation	Impact on Profit before taxation
<u>Market price sensitivity</u>		
Increase in fair value by 10%	higher by USD985.9k	higher by USD625.2k
Decrease in fair value by 10%	lower by USD985.9k	lower by USD625.2k

All foreign fixed income securities have coupon rates ranging between 2.20% and 7.625% and maturity dates ranging from August 05, 2026 to July 06, 2027.

None of the financial assets are either past due or impaired.

MCB USD SHORT DURATION FUND LTD
APPENDIX: STATEMENT OF FINANCIAL HIGHLIGHTS
FOR THE YEAR ENDED JUNE 30, 2026

Closing exchange rates: USD
MUR 47.12

Calculation notes:

Total Expense Ratio = $\frac{\text{Management \& Administration Expenses}}{\text{Daily Average Net Assets}}$

Portfolio Turnover Rate = $\frac{(\text{Purchases} - \text{Subscriptions}) + (\text{Disposals} - \text{Redemptions})}{\text{Daily Average Net Assets}}$

	2026 USD	2025 USD	2024 USD	2023 USD
Opening net asset value	6,897,568	6,364,044	(9,372)	-
Total revenue	320,554	292,103	97,307	-
Total expenses	(80,912)	(58,038)	(33,239)	(9,601)
Realised gains for the year/period	66,570	72,252	3,532	-
Unrealised gains for the year/period	9,887	27,207	5,816	-
Total increase/(decrease) from operations	316,099	333,524	73,416	(9,601)
Net subscriptions	2,796,691	200,000	6,300,000	229
Closing net asset value	10,010,358	6,897,568	6,364,044	(9,372)
Portfolio turnover rate	218.32%	313.03%	45.80%	-
Redeemable Participating Shares				
Number of shares outstanding	9,063	6,485	6,294	-
Total Expense Ratio	0.50%	0.50%	0.33%	-
Closing market price per share (NAV)	1,104.51	1,063.58	1,011.02	-